



Winter 2004 Newsletter

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A Message from Michael Lally



*Director,
Philadelphia
USEAC*

“As we begin the start of a new year, I want to thank all of our clients and partners whom we have served in 2004, developing over 125 international transactions worth over \$20 million to Pennsylvania exporters.”

“Our mission – to help our supplier clients find buyers overseas- has never been more relevant. Continuing globalization has changed the fundamentals of the business cycle, from trade finance to third party competition. Our USEAC team has also evolved to meet the new challenges of international business, as seen in our new industry focus for 2005.”

“Our outreach with the Mid-Atlantic District Export Council (DEC) has focused on topical issues from doing business in Iraq to export documentation and licensing.”

“We have invigorated our contacts with women and minority-owned businesses to encourage exporting, all the while focused on our clients’ bottom line: making sustainable sales overseas.”

“Whether you are a traditional client or a new exporter, we look forward to seeing you in the coming year.”

With Best Regards for the Holidays,
Michael A. Lally
Director

Recent Trade Leads

Electrical Equipment

Montego Bay, Jamaica: Energy company seeks escalators of various technical specifications, generators of 2500KVA and more, and golf carts to be used for transport over short distances. Company will purchase in the future (by mid-2005). For information on this lead, please contact Debora.Sykes@mail.doc.gov.

Packaging Equipment

Cheng Du, China: Chinese pharmaceutical company seeks a packaging production line

for their products. The material must be aluminum plastic bags between 75-80 mg per bag and have excellent sealing without leaking. Company will purchase in the short term (by mid-2005). For information on this lead, please contact

Debora.Sykes@mail.doc.gov.

Manufacturing Equipment

Moscow, Russia: Equipment needed for processing cocoa cakes into cocoa powder. Company will purchase in the short term (2-6 months). For information on this lead, please contact

Samuel.Cerrato@mail.doc.gov.

These leads are only a sample of the trade leads we get on a daily basis. For more information, please **contact** a Trade Specialist at **(215) 597-6101**.

New Industry Focus for USEAC

In order to serve our clients' evolving international business needs, the Philadelphia USEAC will have a new industry specific focus to focus on international sales. The switch to an industry focus will allow our Trade Specialists to develop deep expertise within their fields, while secondary geographic coverage will ensure full coverage for all clients in our territory of Eastern Pennsylvania and the state of Delaware.

- **Director Michael Lally** will focus on *Education* and Training, Oil and Gas, and Philadelphia county.
- **International Trade Specialist Janice Barlow** will focus on Environmental Technologies and Chester and Delaware Counties.
- **International Trade Specialist Samuel Cerrato** will focus on Information and Communications Technology, Agri-business, and Bradford, Carbon, Columbia, Lackawanna, Lehigh, Luzerne, Lycoming, Monroe, Montour, Northampton, Northumberland, Pike, Potter, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming Counties.
- **International Trade Specialist Paul Gaspari** will focus on the Aerospace/Defense and Architecture/Construction/Engineering Industries and Montgomery County.

- **International Trade Specialist Debora Sykes** will be covering Healthcare Technologies, Electrical Power Systems, and Bucks County.
- **International Trade Specialist Terez Wood** will focus on Tourism and Hospitality, Safety/Security Equipment, and cover the state of Delaware.
- **SBA International Finance Officer Robert Elsas** will continue his focus on working with companies to secure export funds in Eastern Pennsylvania and the state of Delaware.

2004: Year in Review

This past year was a successful one for your Philadelphia USEAC. In addition to hiring new trade specialists and becoming more industry focused, our office has managed to exceed our export success criteria for the past year.

The Philadelphia USEAC was proud to work with our partners on several events designed to educate local companies on various aspects of exporting. Some of these events included:

- **Iraq Reconstruction Initiative Conference**
On April 14, 2004, the Philadelphia USEAC and the Mid-Atlantic District Export Council (D.E.C.) hosted a conference on developing contracting opportunities in Iraq that attracted 200 firms from across the U.S.
- **U.S. Export Regulations and Documentation Expo**
In response to the introduction of the Automated Export Service (AES) computer program which will become mandatory for all exporters in 2005, the Philadelphia USEAC invited the U.S. Census Bureau to speak on the various paperwork requirements for exporting on Sept. 16, 2004. Registered guests were also invited to attend a special AES workshop where they were trained in the use of the new computer program.

- **Capitalizing on Global Opportunities for Women 's Business Enterprises Seminar**

On Sept. 21, 2004, the Philadelphia USEAC brought together over fifteen leaders in women-owned businesses business community and various export institutions on international sales opportunities.

South Korea and Kazakhstan Focus

Recently, the Philadelphia USEAC hosted the **Mrs. Myoung Soo Lah of the U.S. Commercial Service at the U.S. Embassy of South Korea, Mrs. Liza Vostrikova and Support Specialist Mrs. Natalya Gudovannaya of the U.S. Commercial Service at the U.S. Embassy of Almaty, Kazakhstan.** Our overseas colleagues met with sixteen exporters to develop business in these two markets.

Ms. **Lah** is an industry expert for the **Safety/Security and Aerospace/Defense** industries in Korea, including the Incheon Airport project. During her stay in November, Ms. Lah had seven appointments with Philadelphia USEAC clients in these industries. Ms. Lah's work with these clients will help to ensure more export successes from the Philadelphia region.



Trade Specialist Paul Gaspari and Foreign Service Specialist Myoung Soo Lah.

Ms. **Vostrikova**, Commercial Specialist in the American Embassy in Almaty, **Kazakhstan**, visited the Philadelphia USEAC on December 1st and 2nd. She was accompanied by her Support Specialist Natalya Gudovannaya. Ms. Vostrikova

focuses on the **Information Technology, Healthcare, and Safety/Security** equipment industries. Kazakhstan's annual GDP growth is creating new opportunities for U.S. exporters in these and the lucrative Oil and Gas sector.

Three Pennsylvania Firms Awarded for Export Achievement

On December 14, 2004, Assistant Secretary for Trade Promotion and Director General of the U.S. Commercial Service, Ms. **Rhonda Keenum**, presented the U.S. Commerce Department's Export Achievement Award to **Leighton Electronics Inc** of Leighton; **A. Rifkin Company** in Wilkes-Barre; and **Numonics Corp.** in Montgomeryville. This award recognizes small and medium-sized companies that have benefited from U.S. Commercial Service export assistance to make their first export sale or open new foreign markets.



(Left to Right) Trade Specialist Deb Sykes, DEC Chairman Ray Raab, Numonics CEO and DEC member Alfred Basilicato, and Director General Rhonda Keenum

"With 95 percent of the world's consumers living outside of the United States, there is **tremendous potential for Pennsylvania** companies to expand their global sales through exports," Keenum said. "The Bush Administration will continue to work hard to help U.S. firms increase their exports and generate high-paying jobs for the working people of Pennsylvania and across the country. I commend these three companies for their commitment to exporting."

Market of the Month - Turkey



There are few countries in the world that share Turkey's geo-strategic position as a bridge between East and West. This makes Turkey one of the most exciting trade centers in the world, as it connects Europe with the Caucasus, the Commonwealth of Independent States, the Middle East and Central Asia.

Turkey's geo-strategic position, coupled with a large domestic market and a Customs Union with the European Union (EU), offers **numerous opportunities** for American firms. U.S. exports to Turkey enjoy relatively lower tariffs on manufactured imports averaging less than 5 percent. In addition, the average level of duties between Turkey and the EU and European Free Trade Area (EFTA) has dropped to zero. Consequently, an increasing number of businesses are attracted to Turkey to take advantage of duty-free access to the wider European market. Today, the U.S. is Turkey's fourth largest trading partner.

Although approximately 45.5 percent of all imports into Turkey originate from EU countries, the **U.S. exports to Turkey totaled \$2.9 billion in 2003**. Reduced trade barriers and increased trade between Turkey and its neighbors provide American exporters a unique opportunity to use Turkey as a springboard to South East Europe, Eurasia and beyond.

Turkey has a population of 68,893,918 with a GDP of \$455.3 billion and a real GDP growth rate of 5%. The current top five U.S. exports to Turkey are cotton/yarn/fabric, machinery, aircraft, electrical machinery, and medical equipment. **Best Prospects** for U.S. exporters exist in the following sectors: *Telecommunications Services and Equipment*, *Natural Gas Transmission, Distribution, Storage and Trade*, *Automotive Parts/ Service Equipment*, *Information Technology*, *Safety and Security Equipment and Services*

To learn about the Turkish Market, please visit the website:

http://www.export.gov/comm_svc/press_room/marketofthemoth/turkey/turkey.html

Andean Marketplace Catalog Show

Andean Marketplace 2005 is a multi-sector Catalog Exhibition sponsored by the U.S. Dept. of Commerce that will take place from **May 9th – 24th, 2005**. Companies who submit their catalogs and brochures to this event will receive exposure from hundreds of business visitors from **Venezuela, Ecuador, Colombia, Peru, and Bolivia**. American companies participating in this event will also have profiles of their products appear in printed and online Spanish directories.

With the proposed Andean Free Trade Agreement between Ecuador, Colombia, and Peru, now is the time to take advantage of the lowering of trade barriers and get your products exposed in these markets!

Registration is only \$450 for this two-week event! For more information, please contact Louis Quay, Project Officer/International Catalog Exhibition Program, at (202) 482-3973 or e-mail at louis.quay@mail.doc.gov.

E.U. Sanctions Against U.S. Exports Expected to End

In March 2004, the European Union (EU) imposed retaliatory trade sanctions on several U.S. products in response to the World Trade Organization's ruling that Foreign Sales Corporation/Extra-Territorial Income provisions of the U.S. Internal Revenue Code were a prohibited export subsidy. Congress recently removed these American FSC/ETI tax provisions and the EU is now expected to remove their sanctions on January 1, 2005.

Trade Specialist Profile

Terez Wood

*Industry Specialist
for Safety/Security
and
Tourism/Hospitality*



"As a new International Trade Specialist at the Philadelphia USEAC, my main goal is to find buyers for my exporting clients."

"My two industry focuses are **Travel and Tourism and Safety and Security**. The Safety and Security sector coincides with my law enforcement background and my degree in Criminal Justice and my three-year stint with the Police Athletic League. In early November I attended the International Security Conference (ISC) Expo in New York. This was a great opportunity for me to meet many of the major players in the Safety and Security industry, including firms in Pennsylvania and Delaware."

"I also cover the Travel and Tourism industry and am working closely with the Philadelphia Convention and Visitors Bureau (PCVB), and the Multicultural Affairs Council (MAC) to network and assist on any upcoming international tourism

events or incoming delegations with over \$4 billion."

"Geographically, I cover the state of Delaware. Delaware has a strong economic base. Working with the Delaware Economic Development Office and the World Trade Center of Delaware, our office will continue to develop markets for Delaware exporters."

"I look forward to meeting the needs of the exporting community."

Ms. Wood can be contacted at
(215) 597-6105 or by e-mail at
Terez.Wood@mail.doc.gov.

New Staff for Philadelphia USEAC

We are pleased to welcome International Trade Specialists **Paul Gaspari** and **Terez Wood**, Network Support Specialist **Faith R. Wise**, and Ron Brown Fellowship Scholar **Vanita Kushawaha**, who joined our team in August of 2004.

Paul Gaspari recently received his BBA in International Business and Marketing with a minor in Japanese from Temple University's Fox School of Business and Management. Paul will be focusing on the aerospace/defense and construction industries as well as Montgomery County.

Terez Wood is currently working on her MBA from Eastern State University. She will be focusing on tourism/hospitality management as well as the security industries and the state of Delaware.

Faith R. Wise is welcomed to our office as our new National Field Support Specialist. Faith has had a career working for the federal government for over 25 years. She comes to the Department of Commerce, International Trade Administration with an extensive background in administration and accounting.

Vanita Kushawaha is a former intern at the Philadelphia USEAC and current Temple University Fox School of Business and

Management student. She will be working on minority and women-owned business research and outreach.

We wish all of our new staff good luck in their positions!

F.A.T.- Frequently Asked Trade

Dear Trade Specialist: What is an HS Tariff Classification Code and why do I need one?

The HS Tariff code is typically a 6 to 10 digit number assigned by Customs for every item that comes into and leaves the country. For imports, this number is referred to as an HS Code while export numbers are referred to as a Schedule B number.

These numbers are used by Customs to identify product duties and taxes and to keep track of products for statistical purposes. HS Codes are needed on some types of government paperwork. To determine your HS Tariff Code, please visit the following website: <http://www.census.gov/foreign-trade/schedules/b/index.html> or just call the Philadelphia USEAC at (215) 597-6101.

Upcoming Events

International Business Development: Putting U.S. Embassies and Consulates to Work for You

January 11, 2005

8:00 AM - 10:00 AM

Sponsored by Goldenberg Rosenthal, LLP

Join us for a valuable seminar where you will learn how to unlock international opportunities for business growth. The trade specialists from the Philadelphia USEAC will be on hand to answer all of your export questions and needs. If you would like more information on the event, please call Goldenberg Rosenthal at (215) 881-8300.

International Trade Game

January – February, 2005

Sponsored by Wachovia and UPS

This exclusive training program has been carefully designed and modified to educate dynamic export business leaders who are committed to maximizing their companies' exports. The skills, strategies, insights, and network of contacts gained are designed to fuel rapid growth of your company.

There will be 6 different sessions that you can attend. They are:

Export for Growth and Profit, Jan. 14

Best Markets, Jan. 21

Exporters' International Legal Considerations, Jan. 28

Market Logistics from UPS International, Feb. 4

Payment Methods, Feb. 11

Financing Methods, Feb. 18

You will work with other international trade experts who will lend their experience and valuable advice on "in-the-trenches" global tactics as keynote instructors.

Various course activities, class discussions, and an international company tour, focus on developing a stronger and more aggressive strategy for developing international markets.

Each session will cost \$35 per person. For more information, please contact Robert Elsas of the Small Business Administration at (215) 597-6110.

Northern Pennsylvania Hardwoods Trade Mission: Destination Vietnam January 15 - 23 2005

As a joint effort for Northern Pennsylvania Hardwoods producers, NTRPDC and North Central RDPC's Export Development programs are partnering with the US Commercial Service to deliver a trade

mission to the rapidly expanding wood industry in southern Vietnam. The mission will include the following with no participation fee:

- Individually matched appointments with pre-screened Vietnamese Buyers
- Transportation To/From Airport
- Transportation in Ho Chi Minh City
- Market & Security Briefings from US Commercial Service and US State Dept. staff in Vietnam
- Private Car with Driver & Interpreter for use during business appointments
- Group Cultural Activities
- Direct in-country assistance from Northern Tier, North Central Export staffs, along with the US Commercial Service
- Inclusion of a company profile in a mission marketing catalog in Vietnamese.

Financial assistance may be available for your company through a market access grant from NTRPDC or mini-grants from the Northern Tier Hardwood Assn. Space is limited! Register now at the mission website at www.buyusa.gov/pittsburgh/vietnam.html

Registration for this event is now closed. However, for more information on future events relating to this Trad Mission, please contact Chad Rimbey at rimbey@northerntier.org and Samuel Cerrato at Samuel.Cerrato@mail.doc.gov.

Expo Manufactura 2005 February 22-24, 2005

Don't miss your opportunity to save time and money in exploring your opportunities in the Mexican market!

EXPO MANUFACTURA is the most complete international exhibition for metalworking, manufacturing, production, automation and control industry suppliers in

Mexico. EXPO MANUFACTURA attracts approximately 6,500 industry buyers and specialists from the manufacturing sector with a role in decision-making. More than 120 companies representing more than 160 domestic and international brands, and who will be in contact with more than 6,000 professionals searching for solutions in the Manufacturing, Metal-Cutting, Assembly, Automotive, Electronics, Iron and Steel industries.

In a unique partnership with industry, the U.S. Commercial Service and First Energy are teaming up to encourage Pennsylvania, Ohio, and New Jersey exporters to explore the Mexican market.

For more information, please visit <http://www.buyusa.gov/pittsburgh/expomanufactura.html>